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BUDGET

DEMOCRATIC POLICY COMMITTEE

August 6, 2002

Mr. Mitchell Daniels, Director
Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

Dear Mr. Daniels:

Pursuant to President Bush's goal of restoring the public's confidence in our markets by asking top officials of 947 companies to file with the Securities and Exchange Commission sworn statements to certify their companies' books, I believe it is in our nation's economic interest that the Director of the Office of Management and Budget do the same for America's financial reports. Therefore, I ask that you send to the Securities and Exchange Commission by the same deadline -- August 14th -- a sworn statement attesting to the accuracy and completeness of the government's most recent financial reports, including the Mid-Session Review you released on July 15, 2002.

I have tried to get the President, the Congress, the Cabinet, and the news media to use one set of numbers when reporting the budget. On page one of the Mid-Session Review it shows the government has a \$165 billion deficit for 2002. On page 44 it shows the government deficit to be \$322 billion for 2002; and not until page 60, the last page of the review, will readers find by doing their own calculations that the deficit is actually \$412 billion for 2002. The \$412 billion is the true deficit, as it takes into account all government borrowing from the trust funds for Social Security, Medicare, military retirees, civil service retirees, and highways. This bookkeeping is misleading. The government appears to be keeping multiple sets of books, the problem that did in Enron and other companies.


In the Army, I learned you never ask your troops to do something you would not. As the government takes the unprecedented step to ask corporate leaders across the country to personally certify their books, I think those in the highest leadership positions of

-2-

government should do the same for America's books. If we want to truly calm the market and investors, it's time our nation's books come clean.

With warmest regards, I am

Sincerely,

A handwritten signature in cursive script, appearing to read "Ernest F. Hollings". The signature is written in dark ink and is positioned over the printed name below it.

Ernest F. Hollings